

12 April 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Conflicts of Interest

Discussed with Leon Ulman, Deputy Assistant Attorney General, Office of Legal Counsel, Department of Justice, certain aspects of the blind trust device used in conflicts of interest situations. I have been informed that the Department of Justice had taken the position that a settler of a trust had "constructive knowledge" of the contents of the trust until the trustee informed him that the stocks in question had been sold. Mr. Ulman advised they had considered this and there was some sentiment for taking such a position. However, it was recognized that such a firm position might not be applicable in all cases. He agreed that a rule of reason under the specific factual circumstances was the appropriate position.

25X1A



Deputy General Counsel

OGC:JSW:mks

OGC Subject - CONFLICTS OF INTEREST

OGC Chrono.